

FIRST SET OF DOCUMENT AND INFORMATION REQUESTS OF
THE DEPARTMENT OF COMMUNICATIONS AND ENERGY TO
BOSTON GAS COMPANY, COLONIAL GAS COMPANY AND ESSEX GAS COMPANY
D/B/A KEYSpan ENERGY DELIVERY NEW ENGLAND

D.T.E. 04-62

Respondent: Elizabeth D. Arangio

Information Request DTE 1-31

- Q. Refer to Exhibit KED/AEL-1, Page 7. Explain how KeySpan dispatches gas to serve Boston Gas, Colonial, and Essex customers on a daily basis during the Peak and Off-Peak seasons. Indicate which company's contract entitlements are dispatched first, second, and so on.
- A. The daily process of obtaining sufficient resources to meet predicted customer needs requires a level of coordination between Energy Supply and Gas Control. Each day, Gas Control provides Energy Supply with projected sendout requirements that are developed based on the results of the demand-forecasting process. Energy Supply determines the availability, reliability and pricing information necessary to satisfy the predicted customer loads and develops an appropriate order of dispatch (*i.e.*, among pipeline supply, underground-storage supply, supplemental resources or other purchased resources). Energy Supply and Gas Control then match available resources with sendout requirements for the KeySpan system, and balance the demand requirements of the overall system for the current day with scheduled supply volumes and projects a three-day supply/demand forecast.

The Company dispatches resources by type and not by company. For example, each of the companies holds a set of resources that is comprised of long-haul transportation, underground storage and on-system resources. For dispatch purposes, these resources are pooled so that the Company is working from an aggregated set of pipeline resources, an aggregated set of underground storage resources and an aggregated set of on-system peaking resources. The Company dispatches resources by type, meaning that the first type of resources to be dispatched are the long-haul pipeline supplies; the second type is the underground storage, and so on. Within those categories, the Company does not maintain a set hierarchy of resource contracts to be dispatched by company. The Company uses the resources within each category so as to best meet the needs of customers on any given day. Thus, the dispatch sequence (within each category) differs depending on the set of daily circumstances that the Company is attempting to address (*e.g.*, weather forecasts, delivery constraints on the pipelines). Because the resources available within each category are used interchangeably, the Company does not have a need to track the dispatch order of supplies held by the individual companies.